

# Coronavirus Business Interruption Loan

A Government guarantee scheme available to business customers with a short to mid-term funding need due to the Covid-19 pandemic

## Key features

- Minimum amount £25,001 – maximum £5,000,000
- Terms from 1 to 6 years
- The Government provides Barclays with a guarantee for 80% of the loan, however, you are responsible for repaying 100% of the facility
- A Business Interruption Payment (BIP) will be paid by the Government to Barclays covering interest plus arrangement and security fees for the first 12 months.
- After the first 12 months, interest at an agreed margin over the Bank of England Bank Rate\*\* will be payable.
- A capital repayment holiday can be requested (subject to application) at the start of the loan or mid-term.
- Monthly capital repayments will be payable at all other times.
- Repay the loan early in full or in part, without incurring prepayment fees. For fixed rate loans, breakage costs will be charged for prepayments after the first 12 months.

To assist customers during this unprecedented time, each business will be assessed on their individual circumstances to ensure that they are offered an appropriate lending facility. Pricing will be consistent for all customers and not based on an assessment of risk.

This loan is partially guaranteed\* by the Government, enabling us to offer loans (subject to application, eligibility and status) to businesses that would not ordinarily be eligible for bank funding due to a lack of sufficient financial security.

The loan may be used for a wide range of business needs, from buying assets to providing funding for working capital, subject to certain restrictions.

\*\*If this rate becomes less than zero then the variable rate will be deemed to be zero i.e. the total interest rate charged will never be less than the facility margin. If you have any questions or concerns about this then please speak to an Independent Financial Advisor.

## A funding solution with flexible terms

Loans between £25,001 to £5,000,000 with terms up to 6 years are available, enabling you to select the optimum level of repayments to suit your business needs.

Loan repayments will be debited monthly by Direct Debit. Capital and interest will be calculated separately but collected in one monthly repayment. After the first 12 months, interest will continue to be payable during any capital repayment holiday.

## Important information

\*The Government guarantee is for 80% of the loan amount. You are responsible for repayment of 100% of the facility, not just the 20% outside the coverage of the Government guarantee. In the event of your default, we will follow our standard commercial recovery procedures, including the realisation of security, including personal guarantees, if applicable, before we make a claim on the Government guarantee. The provision of this guarantee scheme should not be construed as an endorsement or warranty of Barclays by the Government of the UK, including the Secretary of State.



The table below summarises the differences between the interest rate choices available after 12 months:

	Offers certainty against a rise in interest rates	Lower repayments if interest rates fall	Breakage cost applicable?
Variable Rate Loans	No	Yes	No
Fixed Rate Loans	Yes	No	Yes

### Selecting your interest rate basis

After the first 12 months, you will be charged interest at an agreed margin over the Bank of England Bank Rate, though fixed rate options can be requested. The variable rate allows you to pay an interest cost linked to Bank of England Bank Rate\*\*, while a fixed interest rate gives you the certainty of the interest rate that you are paying.

### Planning your loan requirements

It is difficult to predict future interest rates so there is no way of knowing if a fixed or variable interest rate will cost you more or less over the life of your loan. A number of factors need to be considered including how large a payment you can afford, the length of the borrowing term needed and the level of certainty over costs that you require.

You also need to consider any possibility of early repayments, such as that resulting from the sale of a property.

### Important information

- Fixed interest rates remain unchanged for the duration of your agreed fixed period.
- Fixing the interest rate on your loan involves a commitment by you for a specific period, between 1 and 5 years (subject to the amount being borrowed). Fixed rate loans are designed to be held for the term of the fixed rate period.

- Barclays does not provide advice, or recommendations on the suitability of your choice of financing solution. If you require advice, you should consult an independent advisor.

### What happens if you repay your fixed rate loan early?

An amount equal to 10% of the loan balance as calculated on each anniversary of the first drawdown date of the loan can be prepaid without attracting any breakage costs. Any prepayment in excess of the 10% annual allowance will incur a breakage cost.

The breakage cost you will have to pay is a percentage amount of the prepayment (or required prepayment) linked to the number of full years of the fixed rate remaining.

### Next steps

Please contact us to discuss your requirements in more detail.

You can get this in Braille, large print or audio by calling **0800 400 100\*\*** (via Text Relay if appropriate) or by ordering online from **barclays.co.uk/accessibleservices**

### Call monitoring and charges information

\*\* Calls to 0800 numbers are free from UK landlines and personal mobiles. To maintain a quality service, we may monitor or record phone calls.

Barclays Business is a trading name of Barclays Bank UK PLC. Barclays Bank UK PLC is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (Financial Services Register No. 759676). Barclays Bank UK PLC adheres to The Standards of Lending Practice which is monitored and enforced by the Lending Standards Board. Further details can be found at [www.lendingstandardsboard.org.uk](http://www.lendingstandardsboard.org.uk) Registered in England. Registered No. 9740322. Registered Office: 1 Churchill Place, London E14 5HP.